

The Value and Impact of Federally Qualified Health Centers

Louisiana Primary Care Association

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www.caplink.org

Our Vision: Stronger health centers, actively building healthy communities

Our Mission: Capital Link works to strengthen community health centers—financially and operationally—in a rapidly changing marketplace. We help health centers:



Nearly
30
years
of experience

Worked with
50+
PCAs/HCCNs
and regional
consortia

ASSISTED **2/3^{rds}** OF HEALTH
CENTERS NATIONALLY

LEVERAGED **\$1.4 billion**

FOR **246+** HEALTH CENTER PROJECTS

TOTALING
OVER **\$1.7 billion**

- Launched in 1995, the nonprofit, HRSA national cooperative partner
- Offices in CA, CO, AL, IL, OH, and MA
- Leveraged \$1.4 billion in financing for over 246 capital projects (about 10% of current health center facility space)
 - **Direct assistance** to health centers and complementary nonprofit organizations in planning for and financing operational growth and capital needs
 - **Industry vision and leadership** in the development of strategies for organizational, facilities, operational, and financial improvements
 - **Metrics and analytical services** for measuring health center impact, evaluating financial and operating trends and promoting performance improvement

- Evaluate Impact on Communities: Examine the data supported **positive effects of FQHCs** on underserved populations, including improved access to care and health outcomes.
- Analyze Operational Efficiencies: Discuss the digital strategies FQHCs use to maintain **cost-effectiveness** and high-quality care, along with the **data to support outcomes**.
- Identify Challenges and Solutions: Highlight the common challenges faced by FQHCs and the **innovative data and digital solutions** they implement to address these issues.



Relevance of Value & Impact Analysis



Introduction to Value & Impact Analysis Report

Data Sources Utilized
Understanding IMPLAN
Key Terms



Findings from VIA Report



Utilizing the VIA Report

Importance of Measuring Value and Impact
Key Messages from the Health Center Story
Dissemination of Information



Questions

Relevance of Value & Impact Analysis

Community Health Center's contribution to the local economy is critical to the economic viability of communities:

☐ **Job Creation and Income Generation:**

CHCs are significant employers within their communities, providing stable jobs and generating income

☐ **Cost Savings and Efficiency:**

By offering preventive care and reducing the need for more expensive emergency and inpatient services, CHCs help lower overall healthcare costs.

☐ **Support for Local Businesses:**

CHCs often source supplies and services locally, thereby supporting small businesses and fostering a robust local economy.



The health center program impacts the entire Louisiana economy, through job and income creation, tax generation, and enhancement of the Louisiana quality of life.

Specific channels of influence include:

- Creating direct jobs and income within the healthcare sector when community health centers hire staff
- Creating secondary jobs and income when suppliers to community health centers hire their employees and when employees purchase goods and services such as groceries in the community.
- Improving the overall health of the community.

Economic Growth



- Creating direct tax revenue when community health centers pay income taxes on profits and property taxes on buildings and land;
- Creating secondary taxes when employees pay income taxes, sales taxes on their purchases, and property taxes on residences and vehicles

❑ **Role in Local Communities:**

This report highlights the critical contributions of Louisiana Community Health Centers to their local communities.

❑ **Economic Multipliers:**

The report uses economic multipliers to show the “**ripple effect**” of the circular flow of spending within the economy:

- Dollars Brought into the State
- Job Creation

❑ **Economic Engines:**

Overall, the economic multipliers associated with CHCs to highlight their role as economic engines, driving growth and enhancing the well-being of their communities.



Introduction to Value & Impact Analysis Report

Data Sources Utilized
Understanding IMPLAN
Key Terms

Four Primary Data Sources Utilized to Prepare the State-Wise Aggregate and Individual Health Center Level VIA Reports:

1. 2023 UDS Data

2. FY23 Audited Financial Statements

3. HRSA COVID Survey

(from the first survey conducted on April 3, 2020, through the last survey on September 6, 2024)

4. IMPLAN Economic Multiplier

❖ What is IMPLAN?

- IMPLAN (Impact Analysis for Planning) is an economic modeling tool used to estimate the economic impact of various activities and policies.

❖ Purpose of IMPLAN:

- To analyze the economic effects of investments, projects, and policies on local and regional economies.
- To provide detailed insights into how spending in one sector affects other sectors.

❖ Key Features:

- **Economic Multipliers:** Measures the ripple effects of economic activities.
- **Customizable Models:** Allows for tailored analysis based on specific regional and sectoral data.

IMPLAN enhances the accuracy of Capital Link's Value and Impact Analysis report through several key features:

1. Comprehensive Data Collection

- IMPLAN provides access to detailed industry, regional, and demographic data from over 120 sources.

2. Input-Output Modeling

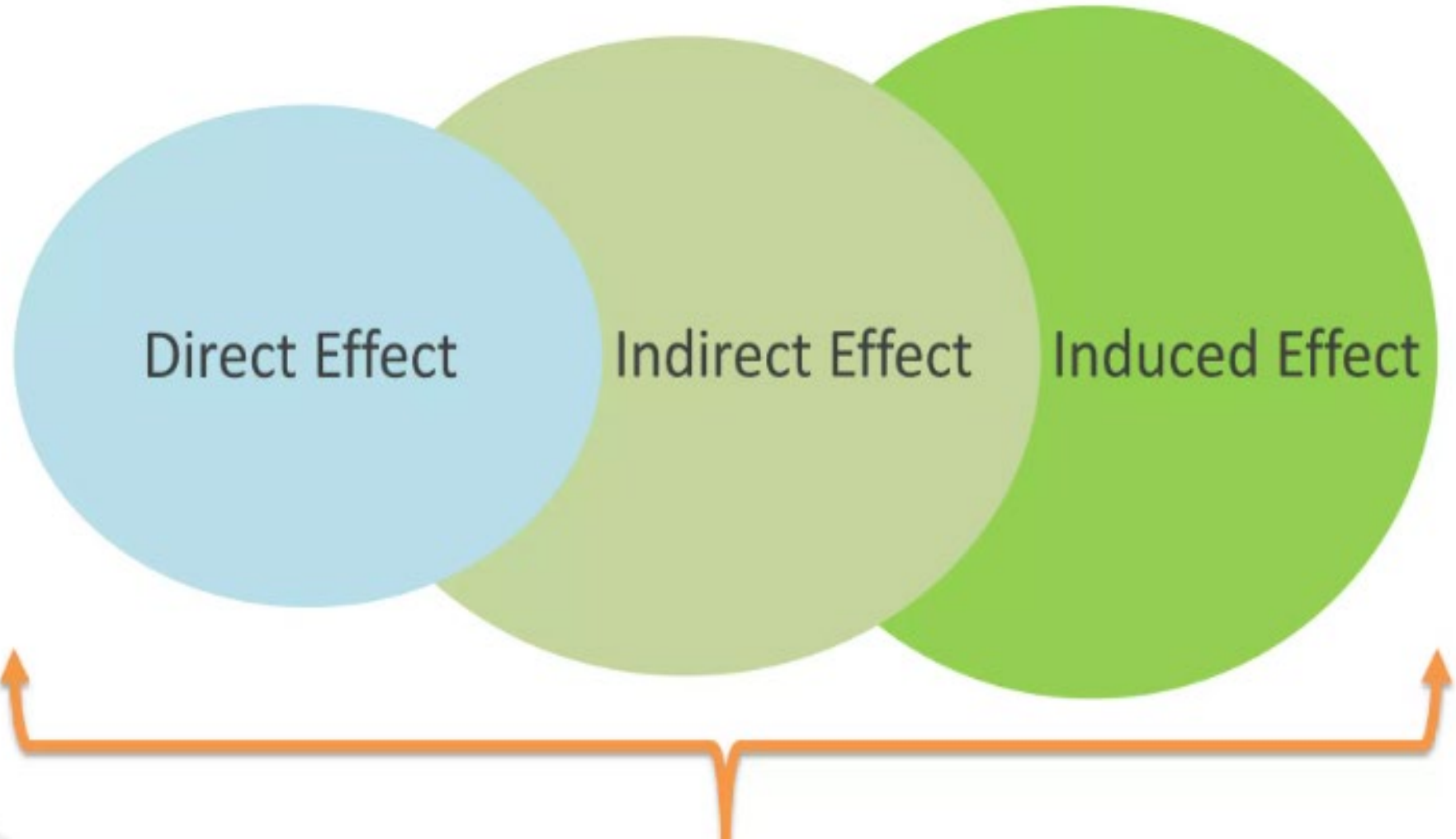
- IMPLAN uses input-output modeling to trace spending through the economy, measuring direct, indirect, and induced effects.

3. Customizable Scenarios

- IMPLAN allows for tailored analyses specific to projects, policies, or regions.

4. User-Friendly Tools

- IMPLAN's intuitive platform offers powerful visualization and reporting capabilities



Direct Effects



This impact results from health center expenditures associated with operations, new facilities, and hiring.

Indirect Effects



This impact results from purchases of local goods and services, and jobs in other industries.

Induced Effects



This results from purchases of local goods and services at a household level made by employees of the health center and suppliers

Total Effects



This represents the aggregate of the Direct, Indirect, and Induced Effects

The multiplier effect is a concept in economics that measures the impact of an initial injection of spending on the overall economy.

1. Definition:

- The multiplier effect refers to the proportional increase (or decrease) in final income that results from an injection (or withdrawal) of capital.

2. How It Works:

- When a health center spends money on goods, services, and salaries, this spending circulates through the local economy.

3. Types of Multipliers:

- **Direct Effects:** The immediate impact of spending by the health center, such as salaries paid to employees.
- **Indirect Effects:** The secondary impact as local businesses respond to increased demand for their goods and services.
- **Induced Effects:** The tertiary impact as employees and business owners spend their increased income on other goods and services in the community.

4. Calculation Example:

- If a health center's spending of \$1 million results in an overall income increase of \$2 million in the local economy, the multiplier effect is 2.

5. Example:

- Suppose a health center invests \$100,000 in expanding its facilities. This investment leads to increased production and sales, resulting in an additional \$200,000 in income for the local economy. The multiplier effect in this case would be 2 ($\$200,000 / \$100,000$).

By understanding and leveraging the multiplier effect, health centers can demonstrate their significant economic contributions to their communities, which can be a powerful tool for advocacy and fundraising.

Direct-Indirect-Induced Impacts

The image below is an example of direct, indirect, and induced impacts of health center operations.

Direct impacts result from **health center expenditures associated with expanded operations, new facilities, and hiring.**

A health center purchases medical devices from a local medical supply store.



This purchase is a **direct** economic impact of the health center's expanded operations.

Community impacts can be indirect, resulting from **purchases of local goods and services, and jobs in other industries.**

The medical supply store purchases paper from an office supply store to print receipts and hires a local delivery service to transport the medical devices.



These purchases are **indirect** economic impacts of the health center's expanded operations.

Community impacts can be induced, resulting from **purchases of local goods and services at a household level made by employees of the health center and suppliers.**

As local industries grow and household income increases, employees of the health center, medical supply store, office supply store, and delivery service spend their salaries in the community.



These purchases are **induced** economic impacts because they are the result of growth of the entire community.

SUMMARY OF 2023 ECONOMIC IMPACT AND TAX REVENUE

		Employment (# of FTEs)	Economic Impact	State & Local Tax Revenues	Federal Tax Revenues
<i>Community Impact</i>	Direct	4,762	\$798,102,667	\$10,251,616	\$78,564,096
	Indirect	2,007	\$280,944,265	\$6,050,610	\$20,349,330
	Induced	2,116	\$358,844,986	\$12,787,105	\$25,123,324
	Total	8,885	\$1,437,891,918	\$29,089,332	\$124,036,751
				\$153,126,083	

- Job Creation
- Spending
- Tax Revenue
- Multiplier Effect



Findings from LA State VIA Report

Louisiana Value and Impact

The Value and Impact of Louisiana Primary Care Association

Forty One Louisiana Primary Care Association health center members provide tremendous value and impact to the communities they serve through CARE FOR VULNERABLE POPULATIONS, SAVINGS TO THE SYSTEM, ECONOMIC STIMULUS, STATE-OF-THE-ART PRACTICES, and INTEGRATED CARE with a focus on MANAGING CHRONIC CONDITIONS, PREVENTATIVE CARE, and QUALITY HEALTH OUTCOMES. They have also played a critical role in PUBLIC HEALTH EMERGENCY RESPONSE as demonstrated by their PANDEMIC RESPONSE, providing testing, vaccination, and care in-person and virtually, bolstering the public health infrastructure in their communities. This report highlights their **2023** savings and contributions.



ECONOMIC STIMULUS

4,762	4,123	8,885
HEALTH CENTER JOBS	OTHER JOBS	TOTAL JOBS
\$798.1 M	\$639.8 M	\$1,437.9 M
DIRECT HEALTH CENTER SPENDING	COMMUNITY SPENDING	TOTAL ECONOMIC IMPACT OF CURRENT OPERATIONS
\$29.1 M	\$124.0 M	\$153.1 M
STATE & LOCAL TAX REVENUES	FEDERAL TAX REVENUES	ANNUAL TAX REVENUES



SAVINGS TO THE SYSTEM

24%	\$703.3 M	\$964.4 M
LOWER COSTS FOR HEALTH CENTER MEDICAID PATIENTS	SAVINGS TO MEDICAID	SAVINGS TO THE OVERALL HEALTH SYSTEM



CARE FOR VULNERABLE POPULATIONS

12.6%	1,748,646	323,403	2,072,049
4-YEAR PATIENT GROWTH	CLINIC VISITS	VIRTUAL VISITS	TOTAL VISITS

503,329		
PATIENTS SERVED		
26.1%	92.2%	65.2%
CHILDREN & ADOLESCENTS	LOW INCOME	IDENTIFY AS AN ETHNIC OR RACIAL MINORITY
4,828	4,011	31,233
AGRICULTURAL WORKERS	VETERANS	HOMELESS

The Value and Impact of Louisiana Primary Care Association



INTEGRATED CARE

381,061	91,034	1,579
PATIENTS RECEIVED MEDICAL CARE	PATIENTS RECEIVED DENTAL CARE	PATIENTS RECEIVED VISION CARE
96,531	9,454	77,639
PATIENTS RECEIVED BEHAVIORAL HEALTH CARE	PATIENTS RECEIVED SUBSTANCE USE DISORDER SERVICES	PATIENTS RECEIVED AT LEAST ONE ENABLING SERVICE TO OVERCOME BARRIERS TO CARE



MANAGING CHRONIC CONDITIONS

17,741	14,326	7,297
PATIENTS WITH ASTHMA	PATIENTS WITH HEART DISEASE	PATIENTS WITH HIV
48,454	72.8%	107,448
PATIENTS WITH DIABETES	PATIENTS WITH DIABETES CONTROLLED	PATIENTS WITH HYPERTENSION
		PATIENTS WITH HYPERTENSION CONTROLLED



PREVENTATIVE CARE

36,293	74,623
CHILDREN ATTENDED WELL-CHILD VISITS	PATIENTS RECEIVED IMMUNIZATIONS AND SEASONAL FLU VACCINES



STATE-OF-THE-ART PRACTICES

48.8%	97.6%	2.8%
HEALTH CENTERS PROVIDING PHARMACY SERVICES	HEALTH CENTERS PROVIDING TELEHEALTH CARE	YEARLY GROWTH IN TELEHEALTH VISITS



PANDEMIC RESPONSE

Over a four-year period (2020 through 2024), FQHCs played a critical role in PUBLIC HEALTH EMERGENCY RESPONSE as demonstrated by public health role in pandemic response, targeting vulnerable populations and delivering:

TESTING		
329,634	352,124	51.5%
TOTAL IN-PERSON COVID TESTS	AT-HOME SELF-TEST DISTRIBUTION	FOR RACIAL/ETHNIC MINORITIES
VACCINES		
200,063	70.5%	
TOTAL COVID VACCINES	FOR RACIAL/ETHNIC MINORITIES	

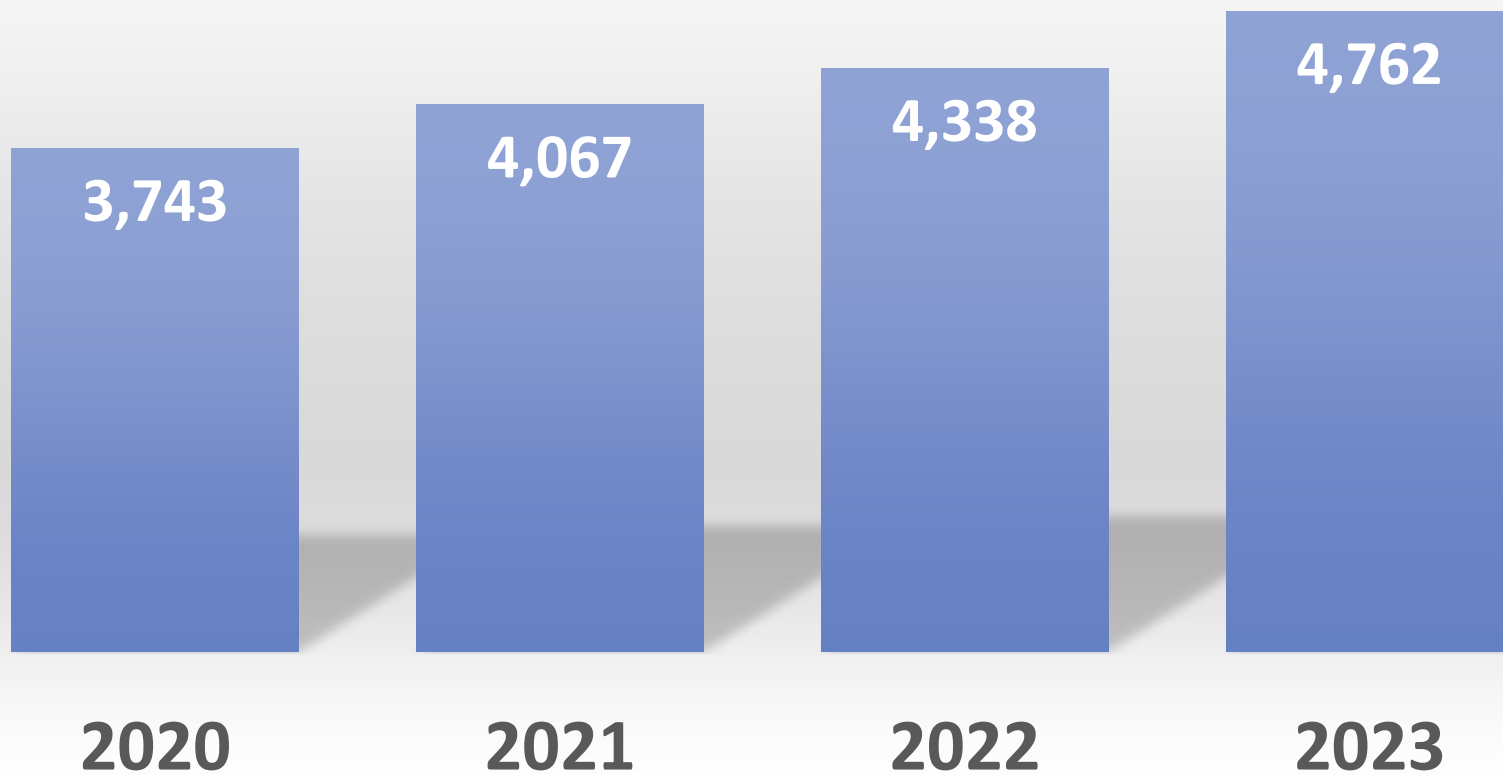


ECONOMIC STIMULUS

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STATE & LOCAL TAX REVENUES	FEDERAL TAX REVENUES	ANNUAL TAX REVENUES

- Strategies:
 - Invest in Workforce Development
 - Engage in local partnerships when available
 - Share this information with community partners
 - Become an employer of choice

Total FTEs





SAVINGS TO THE SYSTEM

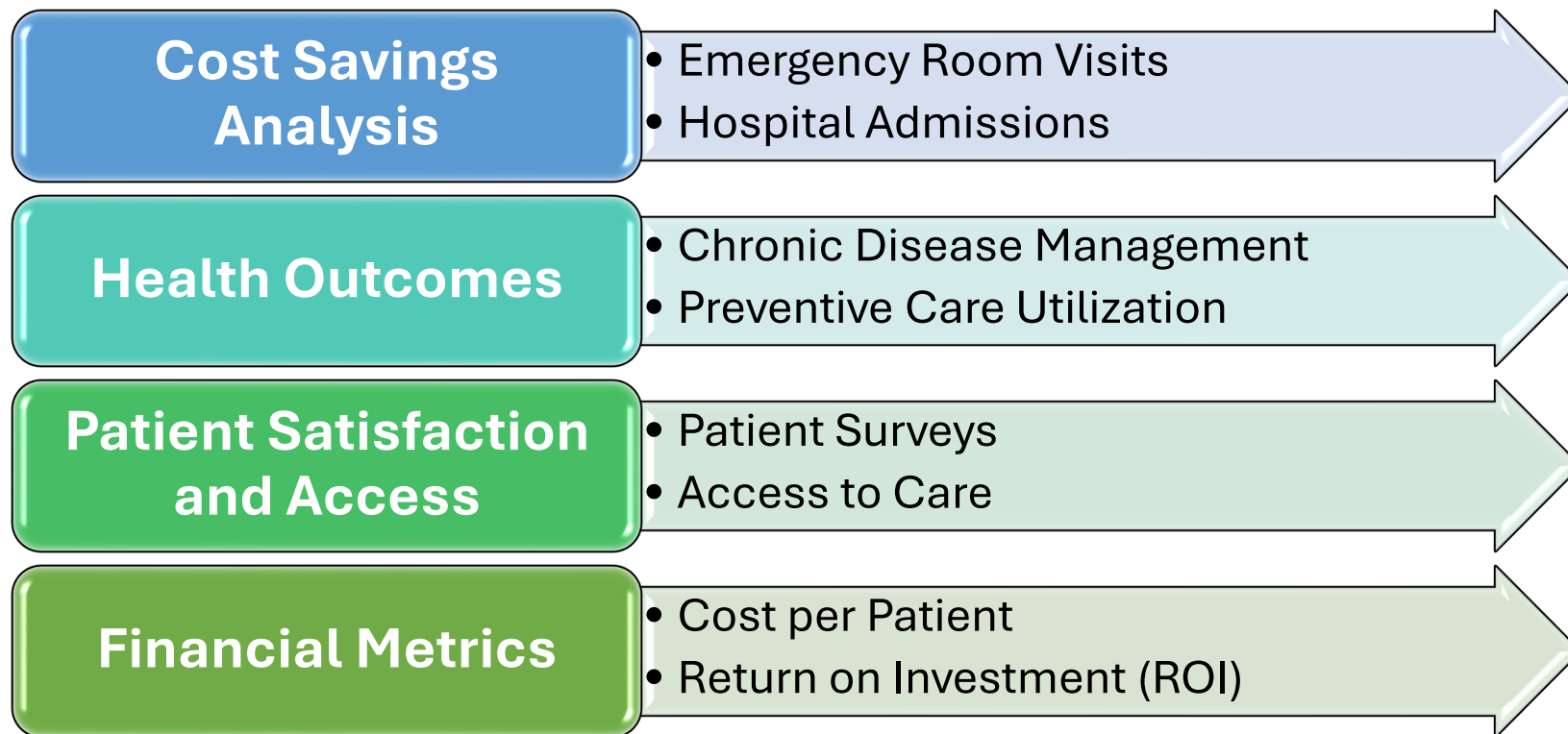
24%	\$703.3 M	\$964.4 M
LOWER COSTS FOR HEALTH CENTER MEDICAID PATIENTS	SAVINGS TO MEDICAID	SAVINGS TO THE OVERALL HEALTH SYSTEM

- Savings to Medicaid

- Focus on preventive, comprehensive care
- Reduction in ER visits
- Decreased hospitalizations
- Patient satisfaction



Health centers measure their impact on Medicaid through various metrics and methodologies, including:



Urban Areas:

- 1. Greater Access to Providers:** Urban areas typically have more healthcare providers, including specialists, hospitals, and clinics. This means Medicaid enrollees in cities like New Orleans and Baton Rouge have easier access to a wide range of medical services.
- 2. Higher Enrollment Rates:** Urban regions often have higher Medicaid enrollment rates due to larger populations and greater awareness of available services.

Managed Care Plans: Urban residents are more likely to be enrolled in managed care plans, which offer coordinated care and preventive services.

Urban Medicaid enrollees are more likely to receive preventive services due to better access to healthcare providers. In contrast, rural enrollees may miss out on these services, leading to higher rates of chronic conditions.

Rural Areas:

1. **Limited Provider Availability:** Rural areas face challenges with fewer healthcare providers and facilities. This can lead to longer travel times and difficulties in accessing specialized care.
 2. **Higher Dependency on Medicaid:** Medicaid plays a crucial role in rural areas, providing essential coverage for a larger share of the population, including children and elderly residents. Rural hospitals and clinics often rely heavily on Medicaid funding to stay operational.
 3. **Transportation Barriers:** Transportation issues are more pronounced in rural areas, making it harder for residents to reach healthcare facilities. This can impact timely access to care and follow-up appointments.
- Rural areas often have higher poverty rates, increasing the reliance on Medicaid for healthcare coverage. This dependency underscores the importance of Medicaid in supporting rural health infrastructure



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AGRICULTURAL WORKERS	VETERANS	HOMELESS	

- Most vulnerable are the uninsured and underinsured.
- Strategies:
 - Attract more patients
 - Expand service offerings



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- Comprehensive care is attractive
 - Bring services in-house when possible
 - Create strong relationships with other providers
 - Close referral loops
 - Refer Internally



MANAGING CHRONIC CONDITIONS

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PREVENTATIVE CARE

36,293	74,623
CHILDREN ATTENDED WELL-CHILD VISITS	PATIENTS RECEIVED IMMUNIZATIONS AND SEASONAL FLU VACCINES

- Decrease ER utilization and hospital admissions
 - Offer accessible primary care and preventive services
 - Prevent complications



STATE-OF-THE-ART PRACTICES

48.8%	97.6%	2.8%
HEALTH CENTERS PROVIDING PHARMACY SERVICES	HEALTH CENTERS PROVIDING TELEHEALTH CARE	YEARLY GROWTH IN TELEHEALTH VISITS

- Pharmacy services
- Telehealth
- What else?
 - AI
 - Technology



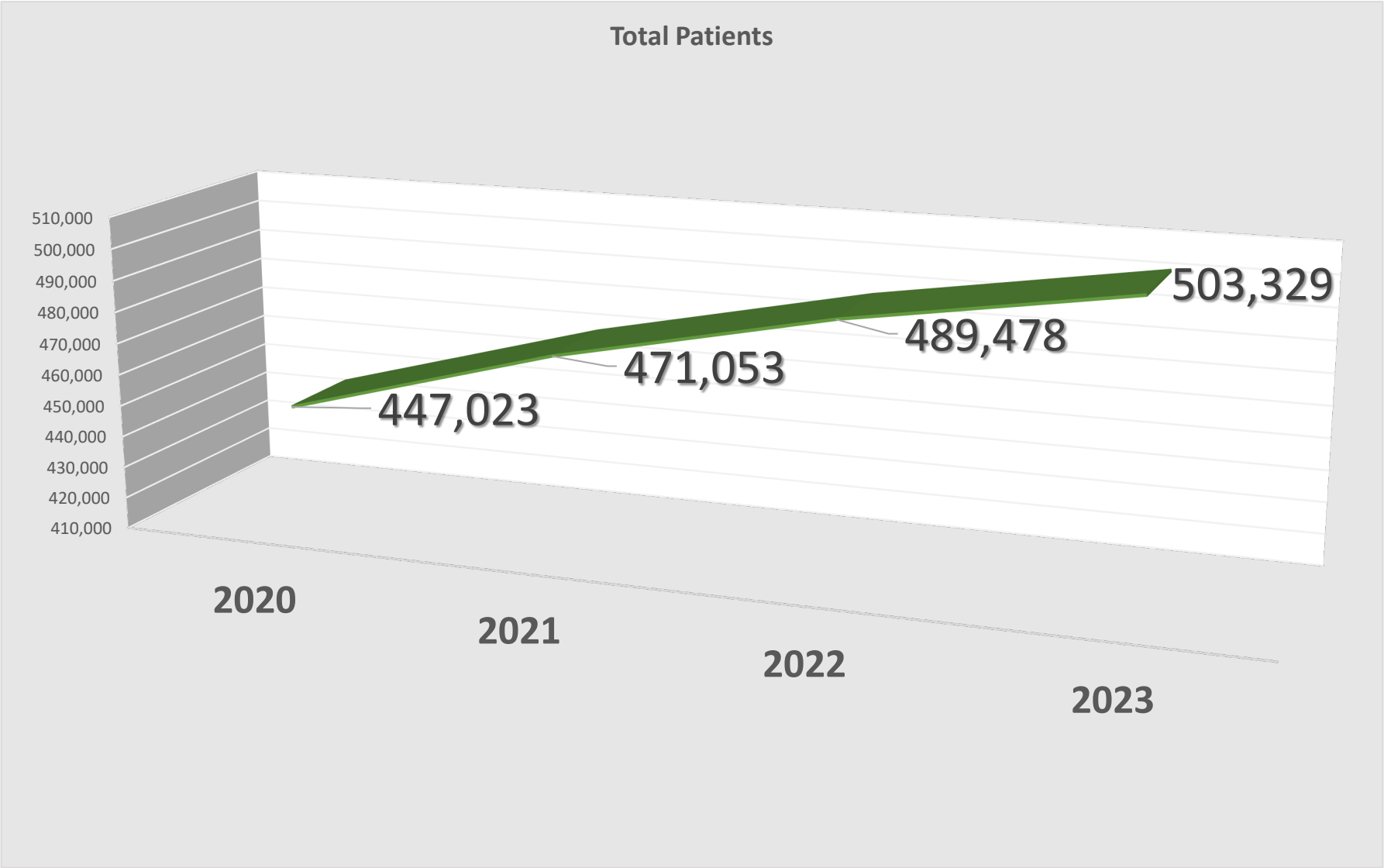


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- This information was collected during the public health emergency
- While the PHE is over, COVID and the effects are not
- This response demonstrates the commitment to each community and the flexibility to respond appropriately



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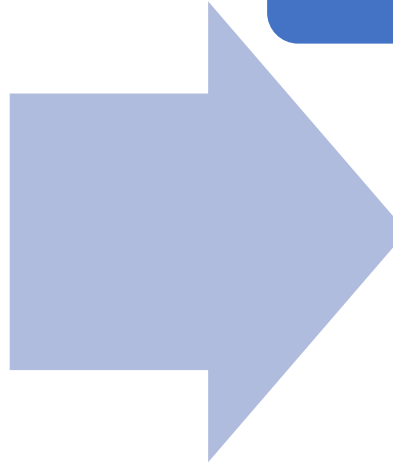
- Job Creation
- Spending
- Tax Revenue
- Multiplier Effect



Utilizing the VIA Report

Who is the Audience?

- Payers
- Policy Makers (State & Federal)
- Community Stakeholders
- Donors, funders, investors
- Patients



What is the data in the VIA used for?

- Inform policymakers
- Explain Value of Health Centers
- Measure and Track Impact
- Evidence for ROI

- Strengthen local partnerships
- Expand Service Offerings
- Invest in Workforce Development
- Enhance Revenue Cycle Management
- Engage in Community Fundraising
- Monitor Patient Satisfaction
- Leverage Technology
- Collect Data
- Cost Savings Analysis



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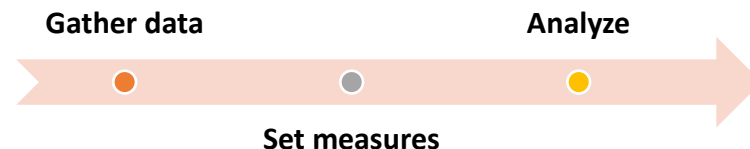
Calculating the Return on Investment (ROI) for a health center's impact on Medicaid involves several steps.

1. Define the Scope of the Analysis:

- **Identify the Interventions:** Determine which specific health center services or programs (e.g., chronic disease management, preventive care) will be analyzed for their impact on Medicaid costs.
- **Set the Time Frame:** Establish the period over which the ROI will be measured (e.g., one year, five years).

2. Collect Data:

- **Cost Data:** Gather data on the costs associated with implementing the health center services. This includes direct costs (e.g., staff salaries, medical supplies) and indirect costs (e.g., administrative overhead).
- **Savings Data:** Collect data on the savings generated by the interventions. This includes reductions in emergency room visits, hospital admissions, and other high-cost services covered by Medicaid.



3. Calculate Net Financial Returns:

- **Determine Savings:** Calculate the total savings to Medicaid by comparing the costs of care before and after the intervention. For example, if the health center's chronic disease management program reduces hospital admissions, the savings would be the difference in hospital costs.
- **Subtract Costs:** Subtract the total costs of implementing the health center services from the total savings to determine the net financial returns.

4. Calculate ROI:

- **Example Calculation:** If the net financial returns from a health center's intervention are \$500,000 and the total costs are \$200,000, the ROI would be: for every dollar spent, there is a return of \$2.50 in savings.

5. Interpret the Results:

- **Positive ROI:** A positive ROI indicates that the health center's interventions are cost-effective and generate savings for Medicaid.
- **Break-Even Point:** The point at which the savings equal the costs, resulting in an ROI of 0%. This is useful for understanding how long it takes for an intervention to become financially beneficial.

Increase Access

For vulnerable populations, children, veterans, homeless, and agricultural workers

Provide Comprehensive Care

Integrated health services focused on prevention and disease management

Support Local Economic Impact

Strengthen local partnerships

Provide revenue to the community including jobs and tax revenue

Continue Health Care System Savings

Reducing unnecessary inpatient hospitalizations and ER usage.

Health Centers 24% lower in total Medicaid spending compared to other providers

Questions and Feedback



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